

STONE & BAXTER, LLP

ATTORNEYS AT LAW

SUITE 1111

CHARTER MEDICAL BUILDING

577 MULBERRY STREET

MACON, GEORGIA 31201

REGULATORY AUTH.

01-AUG 15 AM 10 50

WARD STONE, JR.

D MARK BAXTER

STEPHEN LOUIS A DILLARD

THOMAS M BROWDER III*

MARK S WATSON

EXECUTIVE SECRETARY

PHONE (478) 750-9898

FACSIMILE (478) 750-9899

WWW.STONEANDBAXTER.COM

February 20, 2001

*ALSO ADMITTED IN FLORIDA

Mr. Melvin Malone
Tennessee Regulatory Authority
460 James Robertson Pkwy
Nashville, TN 37243

Dear Commissioner Malone:

97-00309

We represent ACCESS Integrated Networks, Inc., ("ACCESS"), a small, entrepreneurial and rapidly growing competitive local exchange carrier which has been doing business in Georgia since 1997, and throughout the remaining BellSouth Telecommunications, Inc., ("BellSouth") states, beginning in 1999-2000. Access is headquartered in Macon, Georgia. At present ACCESS is approaching 44,000 lines or line equivalents, has 68 employees and approximately 250 sales agents across the BellSouth region. Three of ACCESS' senior management, including its CEO, are former BellSouth employees. ACCESS utilizes the unbundled network element platform ("UNE-P") to provide local service to its customers who are primarily small businesses requiring less than ten lines each.

Unlike many CLECs who focus on downtown business districts only, ACCESS provides service throughout the markets it serves, some 700 cities and towns throughout the BellSouth Operating region. This clearly indicates that ACCESS provides service in secondary and tertiary markets as well as major cities.

ACCESS obtains its UNE-P platform services via a multi-year interconnection agreement with BellSouth. Under this agreement BellSouth Interconnection Services, the wholesale business unit of BellSouth, provides ACCESS with combinations of unbundled network elements and other wholesale products and services.

The purpose of this letter is to bring to the Commission's attention three examples of anticompetitive conduct by BellSouth that seems to evidence a pattern. In each of the three cases, BellSouth's actions are materially impeding ACCESS' efforts to bring competitive alternatives to the small business market. The company believes that these examples should be considered by the Commission in addressing BellSouth's requests for Section 271 authority to enter the in-region long distance business.

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ACCESS will, of course, participate in the customary forums afforded it as various regulatory processes move forward. However, due to the urgency and seriousness of its concerns it has determined that a general expression of those concerns is required and appropriate.

BellSouth OSS Failures

Although ACCESS anticipates that OSS performance either is or will be addressed in existing or anticipated Performance Measures that will define required levels of performance, the company wishes to provide a single statistic that indicates the historical severity of BellSouth's OSS failures. For the months of November, December 2000 and January 2001 BellSouth systems for order entry were inoperative approximately 14% of the time.

The company believes the impact of these failures is self-evident. As a UNE-P provider ACCESS is completely dependent on BellSouth's systems in order to provision new customers and support its existing customer base. The lost productivity, impairment of customer service and general disruption of the business have been extremely costly to the company.

ACCESS urges the Commission to look not only at BellSouth's OSS performance from a macro level of complex statistical measurements but, additionally, from the perspective of what the lack of dependable OSS performance does to a small company attempting to serve its customers.

Customer-Impacting BellSouth Performance Failures

ACCESS' market is small business customers, and like all businesses of any size in any industry, these small enterprises are very dependent on their telecommunications services to provide access to/from their customers, suppliers and other constituencies.

ACCESS has closely monitored and cataloged BellSouth's performance failures over two periods (July 17-August 11, 2000; November 22-January 31, 2001). During these periods ACCESS documented over 360 instances of major outages when attempting to convert new customers from BellSouth retail. A major outage is defined as an occasion when the customer's business was left either completely out of service or found its hunting (a.k.a rollover, rotary, grouping) service inoperative, thus limiting incoming callers to only one line. The company regrets not having documented such problems over its entire history; such documentation would show a much larger number of customer disruptions caused by BellSouth's performance failures.

The impact of such failures upon ACCESS has been devastating. A positive reputation for service quality is an absolute prerequisite for a small competitor's growth, and, in fact, its existence. That reputation is also vital in obtaining and retaining high quality sales agents of high integrity. BellSouth's performance failures have and continue to tarnish that reputation in the marketplace.

Many customers, understandably, become unhappy with ACCESS when these conversion problems occur and return to BellSouth retail. There is a sad irony in this scenario... BellSouth wholesale performs poorly, customers suffer and blame ACCESS ... then return to BellSouth retail.

ACCESS notes that recently a CLEC in Virginia accused the ILEC (Verizon) of "unreasonably disconnecting" customers who switched to them. Verizon acknowledged 66 premature disconnections, and the Virginia commission stated it cannot "condone this inattention to customer service" and directed the filing of monthly reports detailing further unwarranted disconnections of service.

Unreasonable BellSouth Demands

Beginning in the early summer of 2000 BellSouth initiated a series of regular and persistent demands that ACCESS stop unauthorized use of BellSouth's name or BellSouth's correspondence to ACCESS in sales efforts, an allegation ACCESS strenuously denies. BellSouth is making these demands despite the parties having issued a joint press release touting BellSouth's role as ACCESS' wholesale provider and delivery by BellSouth of a letter to ACCESS to the same effect specifically for use by ACCESS in explaining its business relation with BellSouth to prospective customers.

Initially, the company regarded these demands as the result of misunderstandings or misinformation on the part of BellSouth personnel, or occasional hyperbole on the part of an ACCESS agent. The company made attempts to establish a non-confrontational dialog to resolve these issues but to no avail. These demands have continued, are louder and appear to result from a premeditated purpose rather than missteps or confusion.

These demands indicate that the strength of BellSouth's retail unit clearly overpowers the voice of its wholesale unit, and this has resulted for months now in a steady drum beat of demands that ACCESS say nothing to potential customers about where it gets service or whether a customer can expect BellSouth to maintain the unbundled network elements and wholesale products ACCESS is reselling. This is an untenable situation.

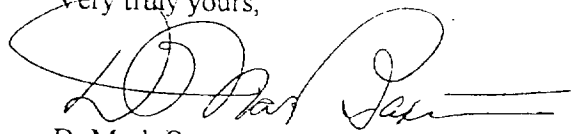
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It is clear the goals of BellSouth's retail and wholesale organizations are in conflict and that the desires of its retail organization dominate.

We believe there is ultimately no remedy for these problems but complete, structural separation of the retail and wholesale units of BellSouth into independent and insular entities. This is the conclusion of the Pennsylvania Public Utility Commission in a recently decided case. In the meantime, we now urge you to consider these serious and persistent problems as you consider BellSouth's application for Section 271 authority.

I remain,

Very truly yours,



D. Mark Baxter

DMB/ddh

cc: William T. Wright, President
Access Integrated Networks, Inc.

Jan Funderburg
BellSouth Interconnection Services

TO: Utility Commissioners: Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee

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Mr. Bill Smith, Executive Vice President, Network Planning & Chief Technology Officer, BellSouth
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